110TH CONGRESS
1ST SESSION

H. R. 2691

To amend the Internal Revenue Code of 1986 to provide additional incentives
for facilities producing electricity from wind.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2007

Mr. WALZ of Minnesota (for himself, Mr. PETERSON of Minnesota, Mr. ELLISON, Ms. MCCOLLUM of Minnesota, Ms. KAPTUR, and Mr. BOSWELL) introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to provide additional incentives for facilities producing electricity from wind.

1 　　*Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PARTIAL EXEMPTION FROM PASSIVE ACTIVITY**

4 　　　　　　**LIMITATIONS FOR QUALIFIED WIND FACILI-**

5 　　　　　　**TIES.**

6 　　(a) IN GENERAL.—Section 469 of the Internal Rev-

7 enue Code of 1986 (relating to passive activity losses and

8 credits limited) is amended by redesignating subsections

9 (l) and (m) as subsections (m) and (n), respectively, and

1 by inserting after subsection (k) the following new sub-

2 section:

3   "(l) $40,000 Offset for Qualified Wind Facili-

4 ties.—

5   "(1) In general.—In the case of any natural

6   person, subsection (a) shall not apply to that portion

7   of the passive activity loss or the deduction equiva-

8   lent (within the meaning of subsection (j)(5)) of the

9   passive activity credit for any taxable year which is

10   attributable to any interest of such person in a facil-

11   ity described in section 45(d)(1) (relating to wind fa-

12   cility).

13   "(2) Dollar limitation.—The aggregate

14   amount to which paragraph (1) applies for any tax-

15   able year shall not exceed $40,000.

16   "(3) Special rule for estates.—

17   "(A) In general.—In the case of taxable

18   years of an estate ending less than 2 years after

19   the date of the death of the decedent, this sub-

20   section shall apply to any interest in a facility

21   described in section 45(d)(1) (relating to wind

22   facility) held by the decedent on the date of his

23   death.

24   "(B) Reduction for surviving

25   spouse's exemption.—For purposes of sub-

1 paragraph (A), the $40,000 amount under
2 paragraph (2) shall be reduced by the amount
3 of the exemption under paragraph (1) allowable
4 to the surviving spouse of the decedent for the
5 taxable year ending with or within the taxable
6 year of the estate.

7 "(4) MARRIED INDIVIDUALS FILING SEPA-
8 RATELY.—

9 "(A) IN GENERAL.—Except as provided in
10 subparagraph (B), in the case of any married
11 individual filing a separate return, this sub-
12 section shall be applied by substituting
13 '$20,000' for '$40,000' each place it appears.

14 "(B) TAXPAYERS NOT LIVING APART.—
15 This subsection shall not apply to a taxpayer
16 who—

17 "(i) is a married individual filing a
18 separate return for any taxable year, and
19 "(ii) does not live apart from his
20 spouse at all times during such taxable
21 year.".

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to losses and credits taken into
24 account in taxable years beginning after the date of the
25 enactment of this Act.

1 **SEC. 2. CREDIT FOR ELECTRICITY PRODUCED FROM**

2 **QUALIFIED WIND FACILITIES ALLOWED**

3 **AGAINST ALTERNATIVE MINIMUM TAX.**

4 (a) IN GENERAL.—Subparagraph (B) of section

5 38(c)(4) of the Internal Revenue Code of 1986 (relating

6 to specified credits) is amended—

7 (1) by striking "and" at the end of clause (i),

8 (2) by inserting "(other than a facility de-

9 scribed in clause (iii))" after "facility" in clause

10 (ii)(I),

11 (3) by striking the period at the end of clause

12 (ii) and inserting ", and", and

13 (4) by adding at the end the following new

14 clause:

15 "(iii) the credit determined under sec-

16 tion 45 to the extent that such credit is at-

17 tributable to electricity produced at a facil-

18 ity described in section 45(d)(1) (relating

19 to wind facility).".

20 (b) EFFECTIVE DATE.—The amendments made by

21 this section shall apply to taxable years beginning after

22 the date of the enactment of this Act.

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